

Divisions Affected – All

CABINET – 24 January 2023

Home Upgrade Grant, phase 2

Report by Corporate Director Environment & Place

RECOMMENDATION

1. **Cabinet is RECOMMENDED to**
 - (a) Note the submission of a £6.4m funding bid to support retrofit of homes in fuel poverty.
 - (b) Delegate authority to the Corporate Director Environment and Place in consultation with the Director of Law and Governance to review terms and conditions and conclude legal agreements on the Home Upgrade Grant (HUG) 2 funding should the bid be successful.

Executive Summary

2. In support of the council's climate action and healthy place shaping agendas, a funding application has been submitted to the Home Upgrade Grant fund to retrofit homes in fuel poverty.
3. If successful the £6.4m programme would run for 2 years retrofitting 310 homes in fuel poverty, off the gas grid.
4. The purpose of this report is to inform Cabinet of the bid, in line with the council's constitution, and ask Cabinet to delegate authority to the Corporate Director Environment and Place in consultation with the Director of Law and Governance to review the terms and conditions of the grant offer letter and conclude agreements to proceed should the bid be successful.

Background

5. 25% of the carbon emissions in Oxfordshire are from domestic properties. The Council's Climate Action framework and corporate strategy states our intention to support retrofit of homes.

6. There is a very strong correlation between poor energy efficient properties, fuel poverty and respiratory illnesses. Respiratory conditions are estimated to affect 50,000 people¹. In Oxfordshire 20% of properties fall into the worst energy efficiency categories (EPC rated E, F and G)². Between 2019 and 2020, the number of households in Oxfordshire classified as “fuel poor” increased from 20,746 to 22,861 (+2,115, +10%) and will have increased further this year. Residents are defined as being in fuel poverty if a household has above average fuel costs and if the spend of this sum would take their residual income below the official poverty line. This funding application supports the Health and Wellbeing Strategy 2019-2023 and seeks to address the connection between cold housing and impact on NHS/winter pressures.
7. Oxfordshire County Council, in collaboration with the districts and City, funds the ‘Better Homes Better Health’ (BHBH) service delivered by National Energy Foundation. An advice line and home visits through ‘BHBH plus’ supports residents with home energy efficiency advice, seeking any grant funding and improving access to eligible benefits in order to reduce fuel poverty and improve health conditions.
8. In 2021 the council completed 150 homes retrofits under the Local Authority Delivery grant. The council is currently working to complete 330 homes retrofits under the Sustainable Warmth Fund and Home Upgrade Grant 1.

Home Upgrade Grant 2

9. In October BEIS announced £7bn of additional funding for Home Upgrade Grant scheme to deliver energy efficiency retrofit measures to houses:
 - Off the mains gas grid
 - With a combined household income below £31k
 - With an Energy Performance Certificate rating of D or below
10. A bid was submitted for £6.4m funding that will target 500 measures in 310 Oxfordshire homes. The bid was approved for submission by the council’s capital board on 2nd November and was submitted to BEIS on 18th November.
11. The council expects to be notified of the outcome of this bid in January 2023, following which a Memorandum of Understanding and legal documents will be issued for signing.
12. The programme will run from April 2023 to March 2025. A procurement exercise is needed to identify a delivery partner and will begin in January. The bid has been developed in consultation with district councils.

¹ Health Conditions and Causes of Death (Oxfordshire County Council), March 2017 - <https://insight.oxfordshire.gov.uk/cms/system/files/documents/5%20Health%20Conditions%20and%20Causes%20of%20Death%20JSNA%202017.pdf>

² EPC for All Domestic Properties (Existing and New Dwellings), BEIS, 7/12/2020 - [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/904850/D1 - Domestic EPCs.xlsx](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/904850/D1_-_Domestic_EPCs.xlsx)

13. Target areas for deploying the funding will to be further developed with Districts, however, this needs to be based on the anticipated need within each District LA region based both on eligible properties (where data is strong in terms of heating fuels, tenure and EPC rating) having eligible low-income residents living within them (where data is at a far lower resolution, but BEIS suggest a number of proxy datasets for determining this, such as Index of Multiple Deprivation based analysis).

Corporate Policies and Priorities

14. The Proposal strongly supports four of the councils nine priorities:
 - Put action to address the climate emergency at the heart of our work
 - Tackle inequalities in Oxfordshire
 - Prioritise the health and wellbeing of residents
 - Work with local businesses and partners for environmental, economic and social benefit.
15. The climate action framework is associated with an annual delivery plan. In May 2022 Cabinet agreed a plan including the following actions related to retrofit:
 - *Develop retrofit partnership and Oxfordshire retrofit strategy and pipeline delivery schemes.*

Financial Implications

16. Delivery would be largely managed by an outsourced third party. The bid provides for the management time of this contractor, the councils management time and ancillary costs such as marketing, audit and certifications; consisting of 15% of the grant to support the revenue costs of administering the grant and as such there are no financial implications to the authority
17. The outline bid was discussed at the council's capital governance board on 2nd November. They were supportive of officers submitting a funding bid at the 29th November submission date (this being the first opportunity to do so).

Comments checked by:

Rob Finlayson, Finance Business Partner

Legal Implications

18. The proposed delivery mechanism utilises a similar method associated with the districts' disability benefit grants, and therefore should not breach state aid or procurement laws. The selection of an appropriate delivery partner will be conducted in accordance with the Councils procurement procedures.
19. The taking of such action is lawful under the general power of competence in Section 1 of the Localism Act 2011.

Comments checked by:

Jennifer Crouch, Principal Solicitor

Staff Implications

20. The Council will receive funding for two full time posts to oversee delivery of the programme.

Equality & Inclusion Implications

21. There is a strong correlation of residents who are experiencing adverse respiratory health conditions and living in fuel poverty often, but not exclusively, in areas that are in the most deprived wards in the County. Delivery of this programme of retrofit measures will assist those most in need, whilst ensuring a distribution across the district council regions.

Sustainability Implications

22. This project will deliver positive action towards decreasing the energy demand, and subsequent greenhouse gas emissions, of residential homes, taking action towards our climate emergency target.

Risk Management

23. The project will adhere to the use of risk management within the Councils guidelines to continue to identify risks and opportunities as they arise. The project will recruit a delivery partner to manage the householder and installer networks, with the council acting as a responsible budget holder.
24. Should the bid be successful, the terms and conditions associated with the project, and the subsequent risk will be reviewed with the Corporate Director for Communities.

NAME: Bill Cotton, Corporate Director Environment and Place

Annex: Nil.

Background papers: Nil.

Other Documents: Nil.

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